

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: October 20, 2010

FROM: Office of General Counsel

SUBJ: Final Rule -
Parts 701, 723, and 742

ACTION REQUESTED: Board approval of final rule revising NCUA's Regulatory Flexibility Program to enhance safety and soundness for credit unions. 12 C.F.R. Parts 701, 723, and 742.

DATE ACTION REQUESTED: October 21, 2010.

OTHER OFFICES CONSULTED: All Regional Offices and E&I.

VIEWS OF OFFICES CONSULTED: Concur.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

BUDGET IMPACT, IF ANY: No.

RESPONSIBLE STAFF MEMBER: Frank Kressman, Senior Staff Attorney,
Office of General Counsel.

SUMMARY: Staff recommends the Board issue the attached final rule to revise certain provisions of NCUA's Regulatory Flexibility Program to enhance safety and soundness for credit unions. Those provisions pertain to fixed assets, member business loans (MBL), stress testing of investments, and discretionary control of investments. Some of these revisions will require conforming amendments to NCUA's fixed assets and MBL rules.

RECOMMENDED ACTION: Recommend the Board issue the final rule.

ATTACHMENT: Final rule.